

For Loans submitted during **OCTOBER 2010**

BASE INTEREST RATES FOR
VARIABLE RATE SBA 7(a) and Patriot Express Loans

Wall Street Journal Prime	3.25%
LIBOR (1 month) + 3%	3.26%
SBA Peg Rate*	3.25%

*The optional peg rate is a weighted average of rates that the federal government pays for loans with maturities similar to the average 7(a) loan. It is calculated quarterly and published in the Federal Register.

SBA 7(a) Lenders are permitted to use any of the above Base Rates when setting the interest rate for their variable 7(a) loans.

Maximum Allowable Spread on <u>non-SBAExpress</u> 7(a) Loans (includes Patriot Express loans)	
Term less than 7 years	Fixed Base Rate plus 2.25%
Term of 7 years or more	Fixed Base Rate plus 2.75%
Loan of \$25,000 or less	May add additional 2%.
Loan of \$25,001 to \$50,000	May add additional 1%.

Maximum Spread on <u>SBAExpress</u> and <u>Export Express</u> Loans	
Loans of \$50,000 or less	Variable Base Rate plus 6.5%
Loans over \$50,000	Variable Base Rate plus 4.5%

**BASE INTEREST RATES and
MAXIMUM ALLOWABLE RATES
FOR**
FIXED RATE SBA 7(a) and PATRIOT EXPRESS LOANS
(non-SBAExpress and non-Export Express loans)

See <http://www.colsonservices.com/main/news.shtml>.

FIXED RATE EXPRESS LOANS:

Maximum Allowable Spread on <u>SBAExpress</u> and <u>Export Express</u> Loans	
Loans of \$50,000 or less	Prime plus 6.5%
Loans over \$50,000	Prime plus 4.5%